




**Promoting Housing Choice
City Council Meeting
July 12, 2016**

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Executive Director**

Overview

- ▶ Affordable/Assisted Housing Terms
 - ▶ Rental Assistance in Norfolk
 - ▶ Housing Choice Goals
 - ▶ Proposed Actions
 - ▶ Q & A
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Affordable and Assisted Housing Terms

What is Affordable Housing?

- ▶ HUD considers housing affordable to a household if it is spending no more than 30% of its income on housing needs.
- ▶ For a household earning \$10,635 per year (15% of AMI), affordable monthly housing expenses would be \$266.
- ▶ For a household earning \$21,270 per year (30% of AMI), affordable monthly housing expenses would be \$532.
- ▶ For a household earning \$35,450 per year (50% of AMI), affordable monthly housing expenses would be \$886.
 - Affordable units provided in the private sector with Low Income Housing Tax Credit equity are usually required to rent for amounts at or below those affordable to households at 50% AMI

2010 Census

- ▶ Of Norfolk's 85,000 households,
 - 33,300 have incomes less than 50% AMI
 - 19,000 have incomes less than 30% AMI
- ▶ 19,000 households in Norfolk can't afford affordable housing

What is Assisted Housing?

- ▶ Rental opportunities for extremely low income families that include Federal subsidies to keep housing affordable.
 - Public Housing Units
 - Housing Choice Vouchers
 - Project Based Rental Assistance

Rental Assistance in Norfolk

Total Assisted Housing - Norfolk

Type of Assistance	Total Units	Total Residents
Public Housing	3,457	8,255
Housing Choice Vouchers	2,921	6,602
Project Based Rental Assistance – NRHA	128	250
Subtotal – NRHA	6,506	15,107
Project Based Rental Assistance – Privately Owned	1,529	2,293
Totals	8,035	17,400

- ▶ Assisted Rental Resources in Norfolk now serve 42% of the 19,000 households with extremely low incomes.

Assisted Housing Regionally

City	Public Housing Units	Housing Choice Vouchers	Project Based Rental Assistance
Norfolk	3,457	2,921	1,657
Chesapeake	467	1,414	681
Portsmouth	1,022	1,549	714
Virginia Beach	0	2,094	1,167
Hampton	247	2,739	857
Newport News	1,565	1,415	1,935
Suffolk	466	661	300
Totals	7,224	12,793	7,311


Family Public Housing Communities

Community (Acres)	Year First Occupied	Dwelling Units	Total Residents	Residents Under 18
Tidewater Gardens (44)	1955	618	1,659	927
Diggs Town (30)	1952	422	1,212	684
Young Terrace (36)	1953	746	1,797	909
Calvert Square (19)	1957	310	749	385
Oakleaf Forest (24)	1942	257	802	478
Grandy Village (44)	1953	355	971	525
Totals		2,708	7,190	3,908

* Since 2002, 905 public housing units in Roberts Village, Roberts Village East, Bowling Green and Moton Circle have been vacated and demolished.

Housing Choice Goals

Housing Choice Goals

- **Improve Choice through improvements to public housing communities**
 - 1,200 units redeveloped over next decade
 - Enhanced physical and social environment of public housing units that are anticipated to remain in place
 - No involuntary displacement of residents outside of community
 - **Expand housing choice throughout Norfolk**
 - Seek Housing Choice Vouchers to replace loss of public housing units
 - Facilitate development of 3,600 quality, affordable and accountable rental housing units
 - **Increase Capacity to take advantage of Housing Choice**
 - Develop collaborative models with human services agencies to ensure current and future residents have capacity to succeed with housing choice
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Housing Choice Goals Timeline

Type of Assistance	2002	2016	2026
Public Housing/PBV	4,561	3,585	2,385
Housing Choice Vouchers	2,100	2,921	4,121
Subtotal – NRHA	6,661	6,506	6,506
Project Based Rental Assistance – Privately Owned	1,500	1,529	1,529
Totals	8,161	8,035	8,035

Family Communities Strategies

Name	Year Built	# of Units	Status
Young	1953	746/533	Community Renovation
Diggs	1952	422/322	Community Renovation
Grandy	1953	355	Renovation/New Construction
Oakleaf	1942	257	Renovation/Rebuild in Place
Tidewater	1955	618	Redevelopment
Calvert	1957	310	Redevelopment

Recent Quality, Affordable and Accountable Rental Property Development


- ▶ Housing Choice and Project Based Vouchers Eligible and Committed for:
 - Southwind Apartments (Franklin Johnston) – 120 units
 - Pickett Farms (Franklin Johnston) – 300 units
 - Banks at Berkley (WODA) – 50 units
 - Clairmont Apartments at Campostella (Franklin Johnston) – 156 units
 - Church Street Station Studios (VSH) – 80 units
 - Woodmere Trace Apartments (CPDC) – 300 units
 - St. Paul's Apartments (S. L. Nusbaum) – 126 units
 - Total Units – 1,132

Proposed Actions


Proposed Actions

- ▶ City Council authorization to create entities to apply for Low Income Housing Tax Credits (LIHTC) to support renovations to Young Terrace and Diggs Town
 - Scheduled for Council consideration on Tuesday, July 19, 2016
 - Allows submission of LIHTC application by August 11 to identify the amount of resources that would be available for community improvements
 - NRHA will return to City Council prior to decision regarding project implementation
 - Next HUD deadline involves submission of financing plan in January 2017


Renovation of Young Terrace

- As part of the Rental Assistance Demonstration (RAD) conversion, NRHA is pursuing Low Income Housing Tax Credits to modernize and renovate Young Terrace
 - A design team is working on the renovation plan for the community
 - Will include demolition of 213 units to provide more parking and open space in the community
 - Renovation would not begin until 2017 and would be done in 3 phases to be completed by December 2020.
- 


Renovation of Young Terrace

- Provide Central Air conditioning and heat
 - New kitchen cabinets, counter tops,
 - Add dishwashers
 - Upgrade Electrical Service
 - New outlets, switches and wiring throughout
 - Remove Radiators and Piping
 - Repaint Units
 - Renovate bathrooms
 - Provide washer dryer hook ups
 - Power wash buildings
 - Patch/Repair/Replace doors, windows, flooring, as needed
 - Clean up outside wiring
- 

Renovation of Diggs Town

- As part of the Rental Assistance Demonstration (RAD) conversion, NRHA is pursuing Low Income Housing Tax Credits to modernize and renovate Diggs Town
 - A renovation plan for the community has been developed
 - Includes demolition of 100 units to provide open space in the community
 - Renovation would not begin until 2017 and would be done in 2 phases to be completed by December 2019.
- 

Renovation of Diggs Town

- Provide Central Air conditioning and heat
 - New kitchen cabinets, counter tops, appliances
 - Add dishwashers
 - Upgrade Electrical Service
 - New outlets, switches and wiring throughout
 - Remove Radiators and Piping
 - Repaint Units
 - Redo all handicapped units to current standards
 - Reroof all units
 - Renovate bathrooms
 - Power wash buildings
 - Patch/Repair/Replace doors, windows, flooring, as needed
 - Clean up outside wiring
- 

Proposed Actions

- ▶ Establish collaborative consensus building group to oversee efforts to improve assisted rental housing communities and improve housing choice in Norfolk, including suggested representation from:
 - City Council
 - NRHA Board of Commissioners
 - Norfolk Public Schools Board
 - Norfolk Planning Commission
 - Norfolk Judiciary
 - Private housing developers/managers
 - Community stakeholders
 - Philanthropic leaders

Potential Scope of Effort

- ▶ Develop a vision for assisted rental communities/housing choice in Norfolk
 - Redevelopment, renovation
 - Sequencing/timing
 - Funding strategies
 - Tenant relocation methodology
 - ▶ Incorporate City effort to develop a Comprehensive Affordable Housing Strategy
 - ▶ Integrate housing choice consensus building with school improvement efforts, resiliency/stormwater and transportation planning
 - ▶ Build capacity of disadvantaged households to allow housing choice success
 - ▶ Improve safety and security, community engagement and overall environment of assisted rental communities
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Q & A

Supplemental Information




Housing Choice Vouchers

Housing Choice Vouchers

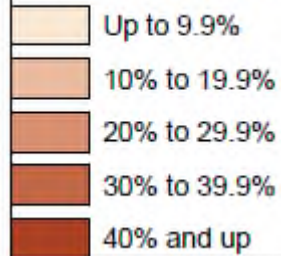
- ▶ Currently serving 2,921 households with about 7,300 residents.
 - ▶ Voucher holders pay 30% of their income for housing expenses.
 - ▶ FY–2016 HCV program to provide direct payments totaling \$25.3 million to rental property owners.
 - ▶ Average HCV payment to landlords in excess of \$700 per month.
 - ▶ HCV households have an average annual income of \$16,500 (affordable monthly rent – \$413).
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Housing Choice Vouchers

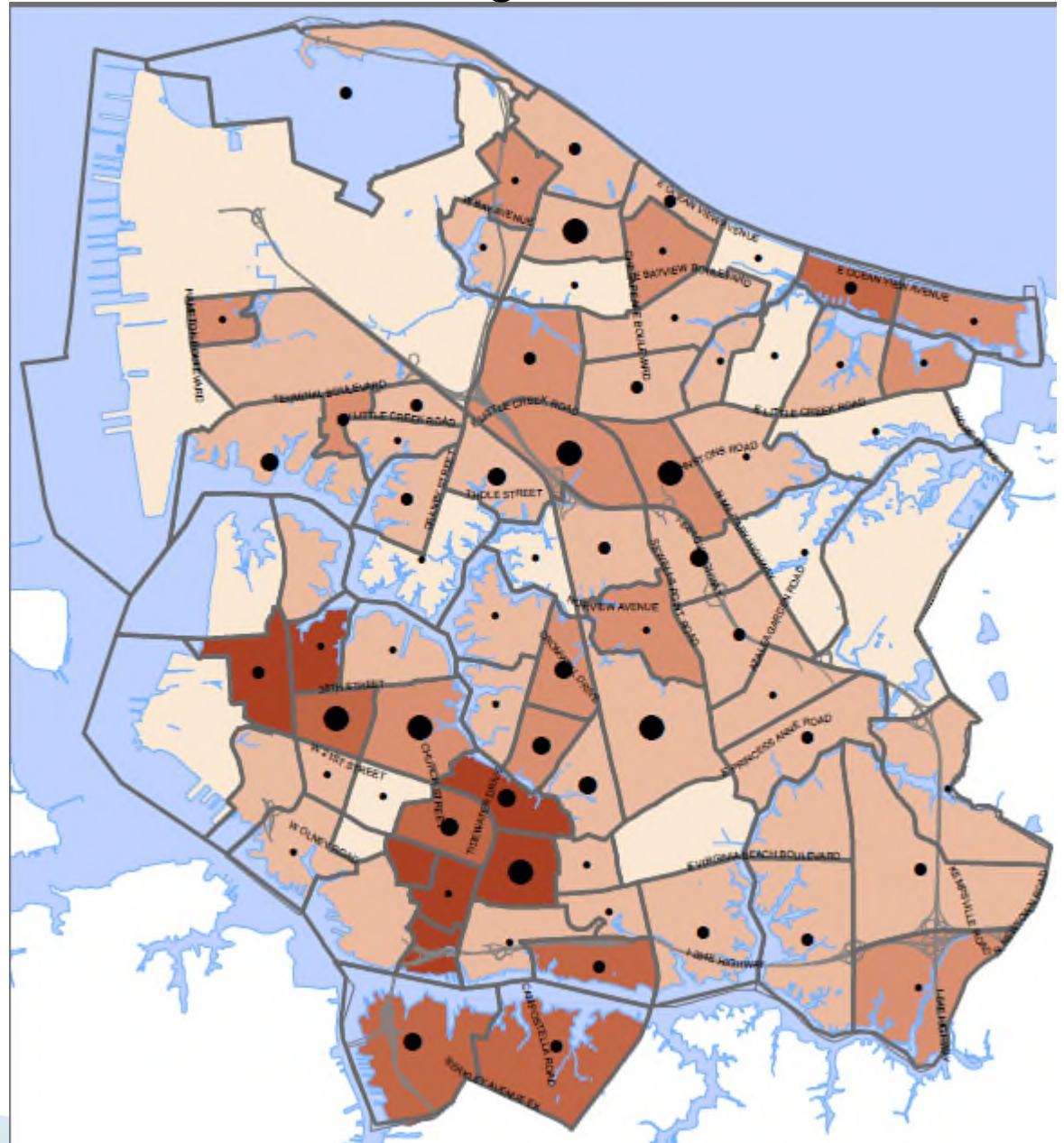
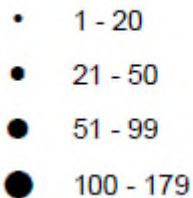
- ▶ 900 participating landlords (average 3 units per landlord).
 - ▶ Voucher funding could increase if more housing units could be identified.
 - ▶ 5% of vouchers expire before housing found.
 - ▶ Highly regulated program at resident and property levels.
 - ▶ Efforts to promote HCV program could serve to address negative program perceptions.
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Poverty Rate for Individuals and Housing Choice Vouchers by Census Tract

Percent Below Poverty

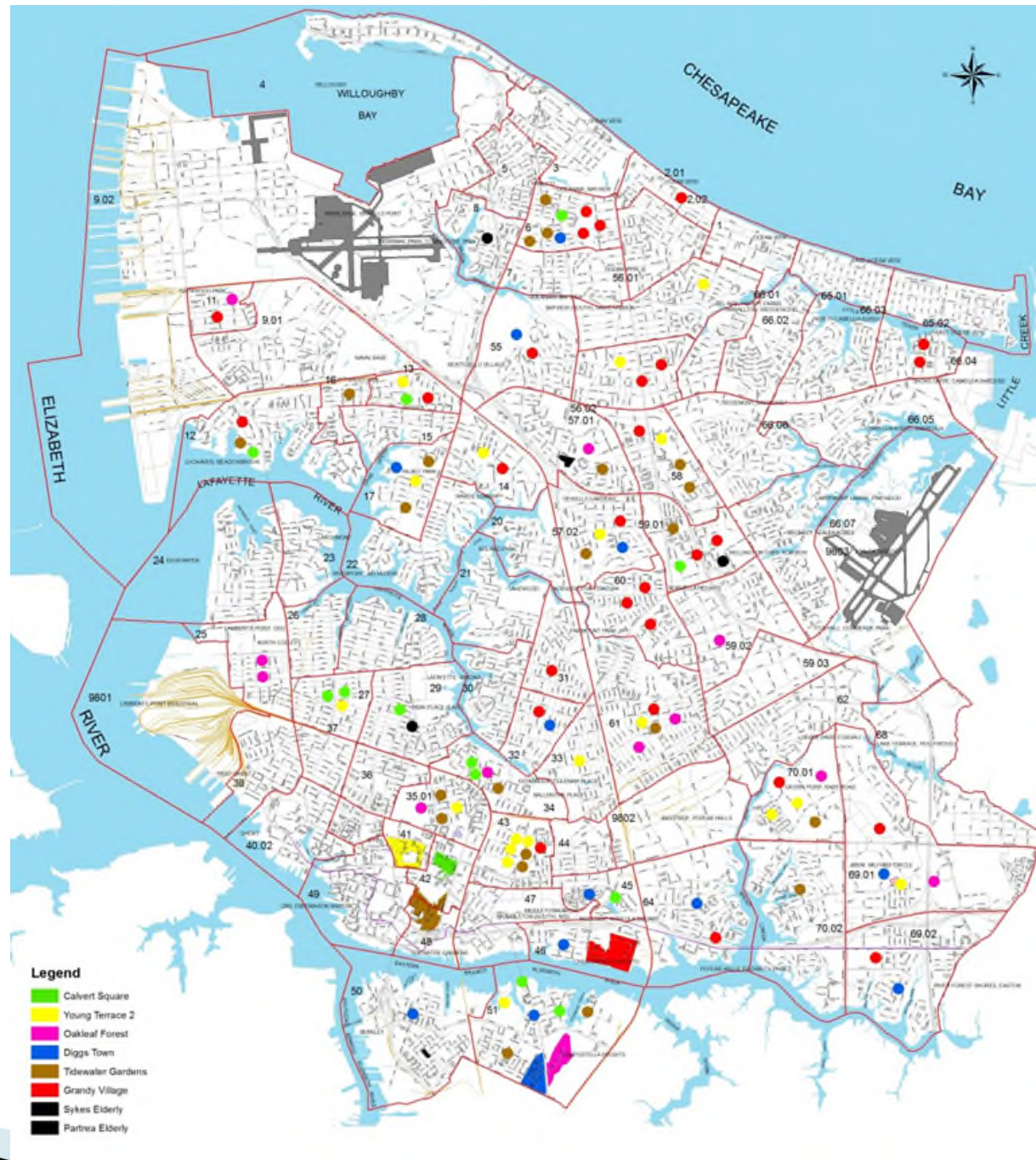


Housing choice vouchers



2014 - 2016 Public Housing to Housing Choice Vouchers dispersion pattern


(106 vouchers)




Young Terrace Renovations

Overview

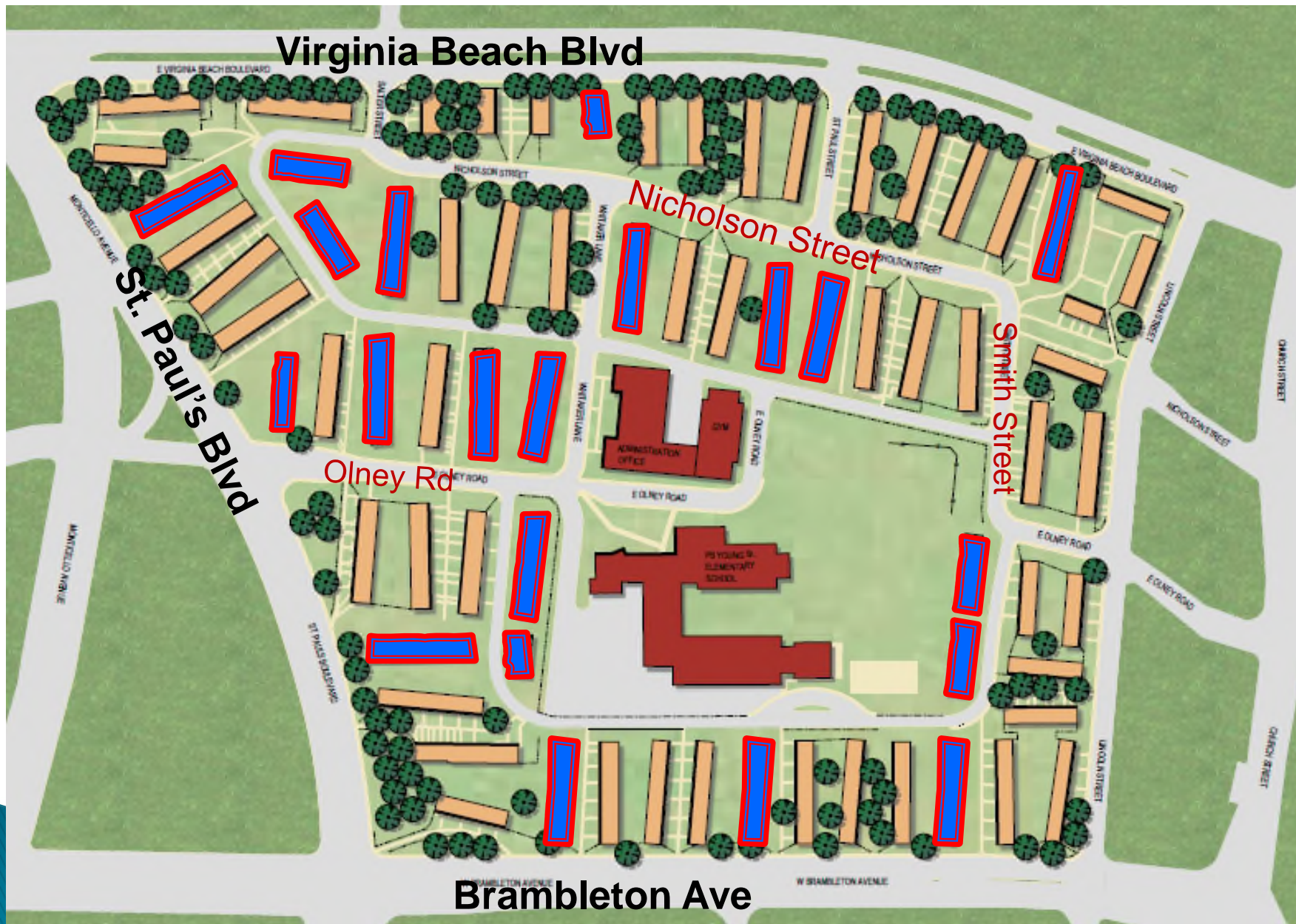
Significant Modernization and Renovation of Young Terrace

- As part of the Rental Assistance Demonstration (RAD) conversion, NRHA is pursuing Low Income Housing Tax Credits to modernize and renovate Young Terrace
 - A design team is working on the renovation plan for the community
 - Will include demolition of units to provide more parking and open space in the community
 - Renovation would not begin until 2017 and would be done in 3 phases to be completed by December 2020.
- 

Demolition

- ▶ Plan on Demolishing 213 Units over three phases
 - ▶ Another 4 Units will be combined with adjacent units to provide additional ADA Units
 - ▶ NRHA will apply to HUD for demolition approval and request Housing Choice Vouchers for the units that will be demolished
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Demolition



Phasing: Young Terrace



Virginia Beach Blvd

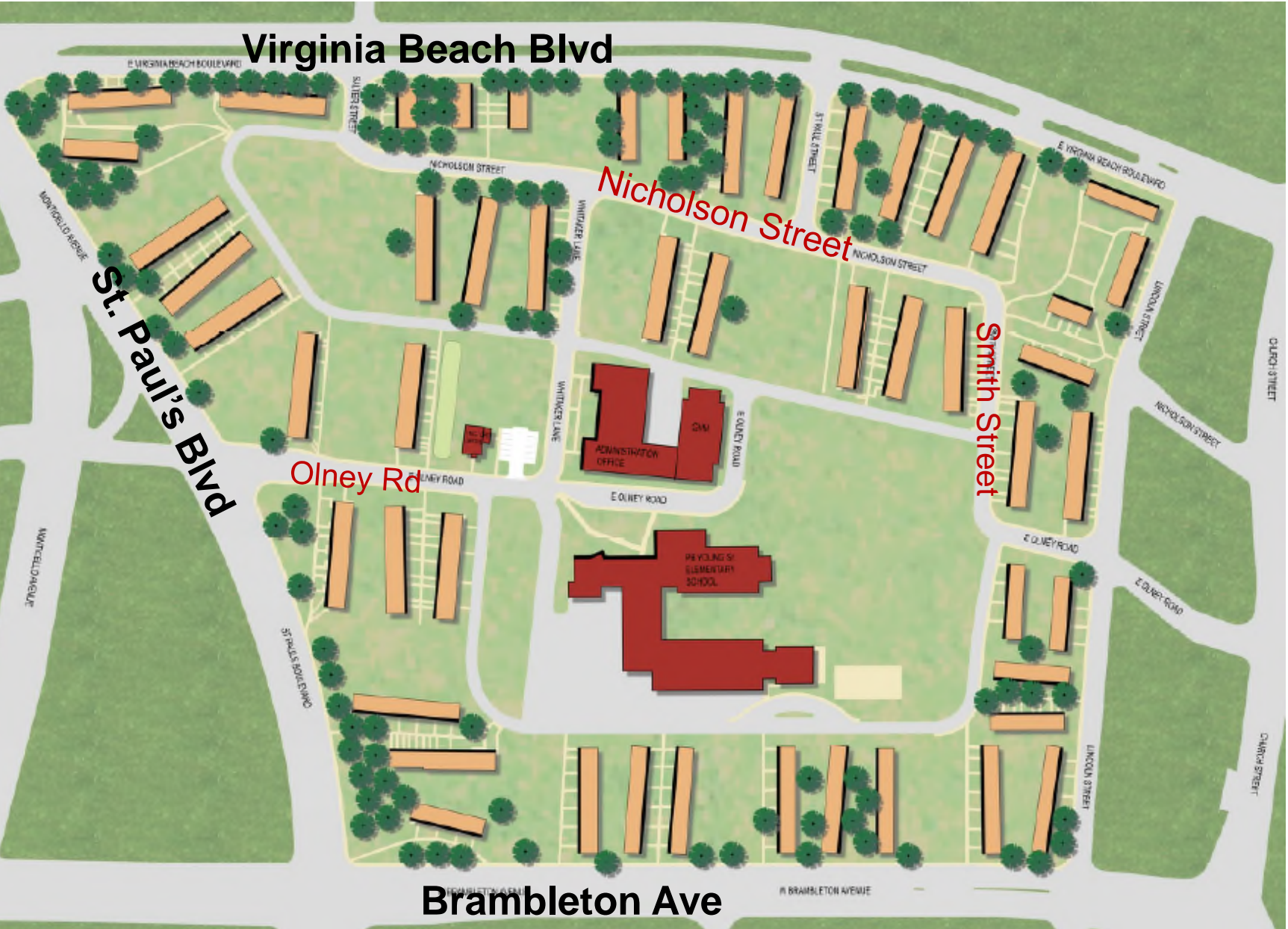
Nicholson Street

Smith Street

Olney Rd

Brambleton Ave


St. Paul's Blvd



Young Terrace Site Layout (unfunded off-street parking)



Relocation


- ▶ First and foremost – No current resident that wishes to remain in the community will be displaced/forced to move from the community
 - ▶ All residents will need to move at least once but that does not need to be out of the community
 - ▶ The relocation process will be resident focused and we will work to make it as smooth as possible.
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Relocation (Demo units and First Area Renovated)


Once Demolition and RAD Renovation approvals are finalized residents will be offered choices for relocation

- **For Demolitions and first area of renovation**


Residents will be offered a choice to

- 1) Temporarily relocate to a vacant unit in Young Terrace, or
 - 2) Relocate permanently using a Housing Choice Voucher or
 - 3) Move to another public housing community
- 


Relocation

- The plan is for most families to be moved only once from current unit into a renovated unit
 - Residents may be temporarily relocated until a renovated unit is available for re-occupancy
 - We will do our best to accommodate families wishing to locate in same area, however, that can not be promised
 - Residents can elect to move to another public housing community that is not converting thru RAD
- 


Relocation

- The Authority is responsible for relocation expenses
 - Moving and reestablishment (deposits)
 - Residents will be offered ability to stay within the community
 - Any temporary relocation more than 12 months must comply with Uniform Relocation Act
- 

Renovation Plan

- Provide Central Air conditioning and heat
 - New kitchen cabinets, counter tops,
 - Add dishwashers
 - Upgrade Electrical Service
 - New outlets, switches and wiring throughout
 - Remove Radiators and Piping
 - Repaint Units
 - Renovate bathrooms
 - Provide washer dryer hook ups
 - Power wash buildings
 - Patch/Repair/Replace doors, windows, flooring, as needed
 - Clean up outside wiring
- 

What is not in the budget?

- ▶ Off Street parking
 - ▶ Replace all windows and doors
 - ▶ Replacing all refrigerators
 - ▶ New flooring
 - ▶ Complete renovation of bathrooms
 - ▶ Providing New Covered Porches at entrance
 - ▶ Removing fencing
- 


Next Steps (Timeline)

City Council Entity Approval	July 19, 2016
Submit LIHTC Application	August 11, 2016
Submit Financing Plans to HUD	January 2017
Demolition Approval/Begin Relocation	January 2017
<i>Execute RAD Conversion</i> & Close on Financing	June 2017
Conversion Complete and Begin Modernization	June 2017


Diggs Town Renovations

Overview

Significant Modernization and Renovation of Diggs Town

- As part of the Rental Assistance Demonstration (RAD) conversion, NRHA is pursuing Low Income Housing Tax Credits to modernize and renovate Diggs Town
 - A renovation plan for the community has been developed
 - Includes demolition of units to provide open space in the community
 - Renovation would not begin until 2017 and would be done in 2 phases to be completed by December 2019.
- 

Demolition

- ▶ Plan on Demolishing 91 Units over two phases
 - ▶ Another 9 units will be lost as we combine units as part of bringing handicapped units up to current standards
 - ▶ NRHA will apply to HUD for demolition approval and request Housing Choice Vouchers for the 91 units that will be demolished
- 

Demolition




Relocation (Demo units and First Area Renovated)


Once Demolition and RAD Renovation approvals are finalized residents will be offered choices for relocation

- **For Demolitions and first area of renovation**


Residents will be offered a choice to

- 1) Temporarily relocate to a vacant unit in Diggs Town, or
 - 2) Relocate permanently using a Housing Choice Voucher or
 - 3) Move to another public housing community
- 

Relocation

- The plan is for most families to be moved only once from current unit into a renovated unit
 - Residents may be temporarily relocated until a renovated unit is available for re-occupancy
 - We will do our best to accommodate families wishing to locate in same area, however, that can not be promised
 - NRHA may continue to offer Housing Choice Vouchers beyond the 91 that will be requested from HUD
 - Residents can elect to move to another public housing community that is not converting thru RAD
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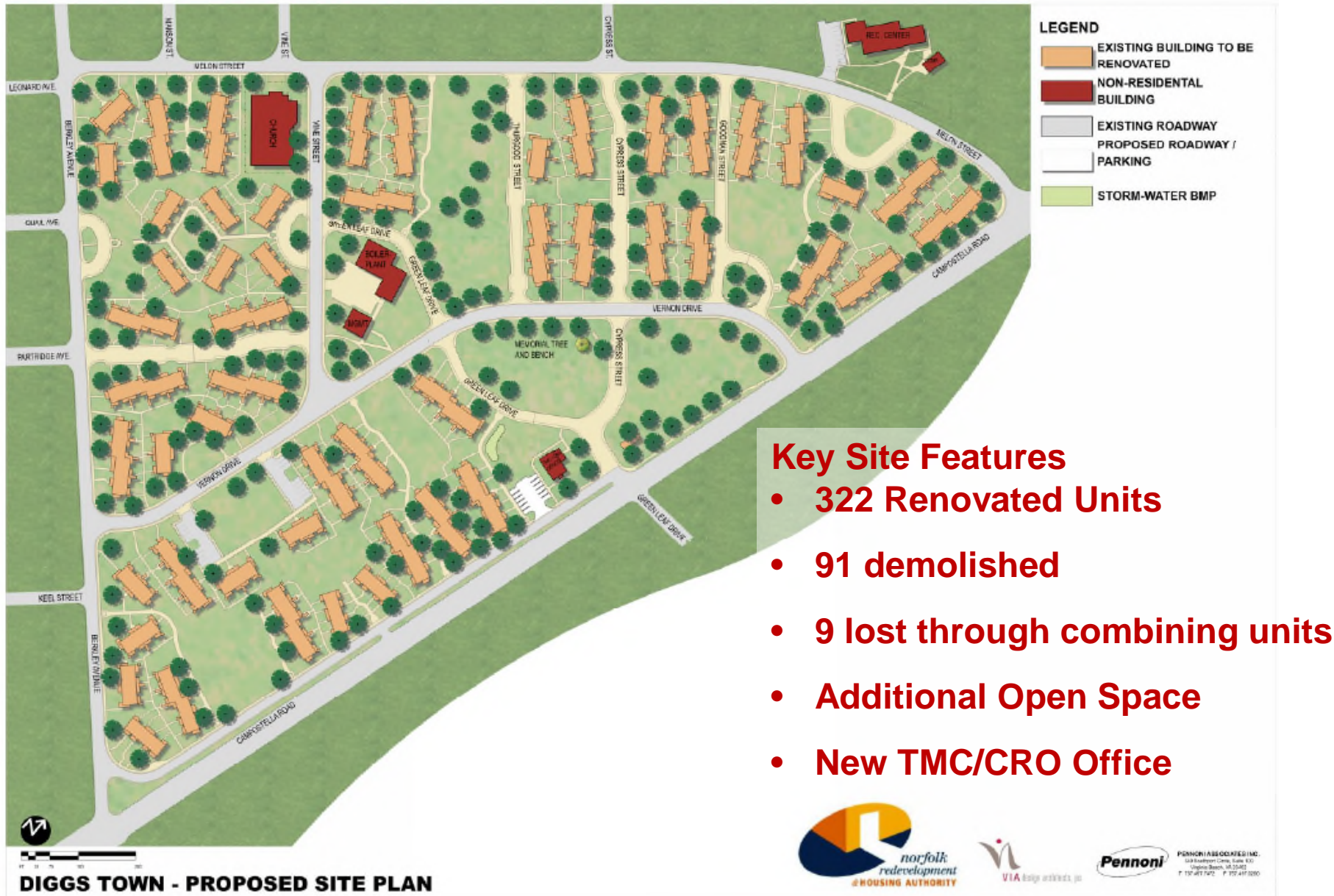
Relocation (All)

- The Authority is responsible for relocation expenses
 - Moving and reestablishment (deposits)
 - Residents will be offered ability to stay within the community
 - Any temporary relocation more than 12 months must comply with Uniform Relocation Act
- 

Proposed Renovation and Improvements



Site – 322 units




Diggs Town Site Layout (unfunded off-street parking)




Site Improvements



Renovation Plan

- Provide Central Air conditioning and heat
 - New kitchen cabinets, counter tops, appliances
 - Add dishwashers
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 - Remove Radiators and Piping
 - Repaint Units
 - Redo all handicapped units to current standards
 - Reroof all units
 - Renovate bathrooms
 - Power wash buildings
 - Patch/Repair/Replace doors, windows, flooring, as needed
 - Clean up outside wiring
- 

What is not in the budget?

- ▶ Off Street parking
 - ▶ Replace all windows and doors
 - ▶ New flooring
 - ▶ Complete renovation of bathrooms – just refreshing/Keep existing fixtures
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Renovation Plan

Typical Kitchen Renovation



Add a Dishwasher
New Light fixtures

New 30" Range
New Cabinets and countertops
New Refrigerator
New Sink and fixtures



Renovation Plan

New Central Meter at end of the building
Replace Roof Shingles
Power Wash Brick
Repair as Necessary
Repair or Replace Doors as Necessary



Remove Existing Utility lines/conduit
Repair or Replace Windows as Necessary




Next Steps (Timeline)

City Council Entity Approval	July 19, 2016
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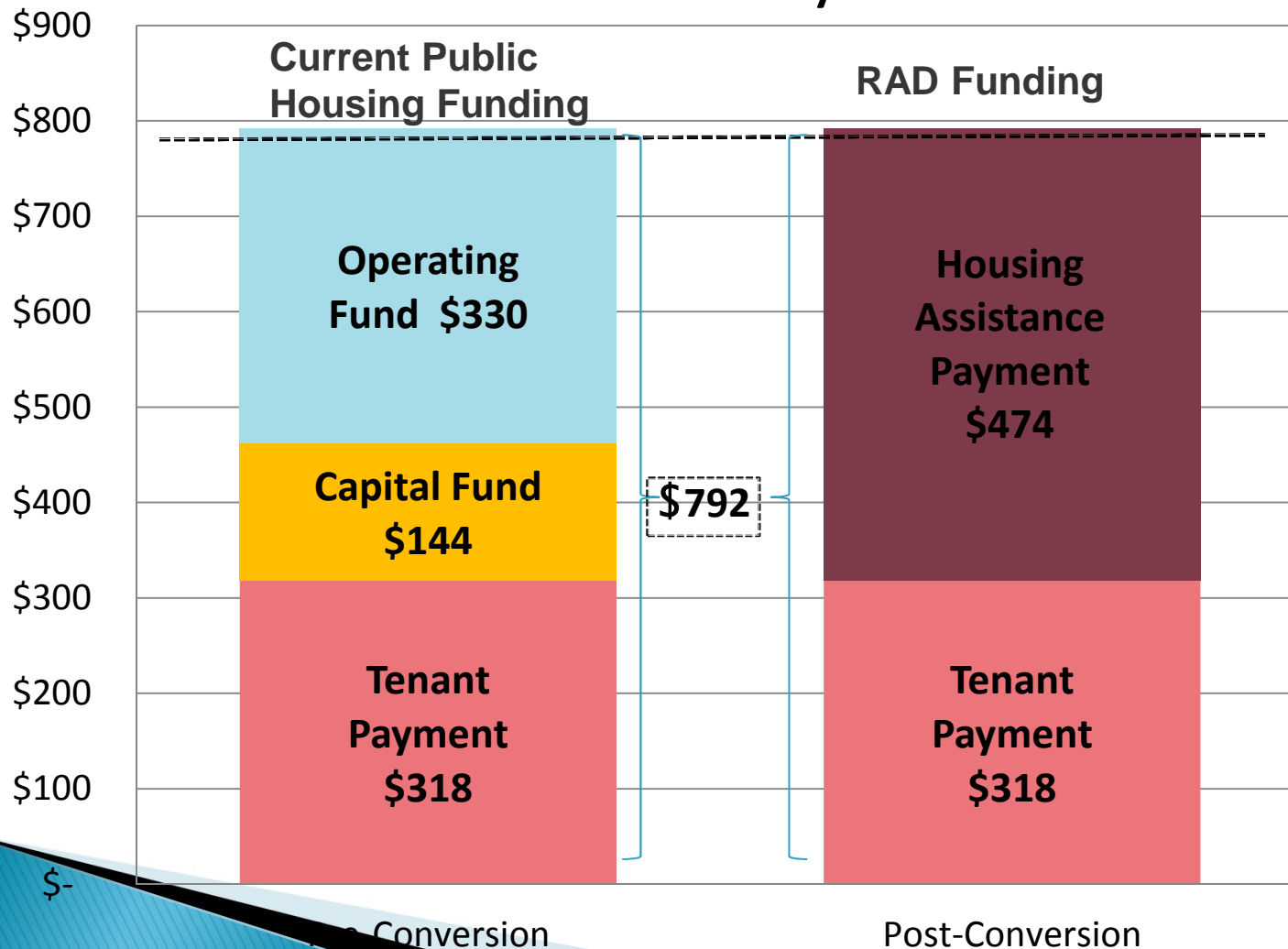
Rental Assistance Demonstration (RAD) Program

What is RAD?

- ▶ The Rental Assistance Demonstration (RAD) is a HUD program that will allow the Housing Authority to convert properties from conventional public housing support under Section 9, with traditional capital fund subsidies and operating fund subsidies, to Project Based Section 8 program with a Housing Assistance Payment (HAP) contract.
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How does RAD Work?

Sample Public Housing Conversion Per Unit Monthly



RAD combines the operating subsidy and capital fund into one payment for the property

Why was RAD established?

- ▶ Across the Country and here in Norfolk the public housing inventory is aging, becoming more obsolete and has an increasing backlog of unmet capital funding needs. Capital funding has declined 24% over the past decade and is insufficient to meet the growing backlog of capital needs.
 - ▶ RAD will provide defined and more secure project subsidy from HUD. This will allow the Authority to more easily seek Low Income Housing Tax Credits to renovate communities and build new housing
 - ▶ RAD creates greater funding certainty while allowing increased operational flexibility for the Authority
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